



Date: October 21, 2019

To: Thomas B. Modica, Acting City Manager *TMB*

From: Linda F. Tatum, Director of Development Services *LT*

For: Mayor and Members of the City Council

Subject: **Short-Term Rental Program Phased Implementation**

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At its September 3, 2019 meeting, during discussion of the City's FY 20 budget, the City Council requested a delay in the start of the short-term rental (STR) program and a one-time reallocation of a portion of the funding for STR staff positions to temporarily fund other City programs. Development Services Department staff was requested to explore options for moving forward with the program, within the reduced budget.

Staff recommends a phased implementation of the STR program, which, if approved by the City Council, will operate within the reduced budget by doing the following:

- Delay the effective date of the Ordinance by 180 days;
- Delay the hiring of the Administrative Analyst and Consultant appropriated for the STR program by 90 days; and,
- Delay the hiring of the Combination Building Inspector until the initial 180-day STR registration period ends (FY 21).

During the deferred implementation period, staff will recruit and select a candidate for the Administrative Analyst position, with the expectation the position will be filled approximately 90 days prior to the delayed effective date of the Ordinance. An independent compliance consultant will also be selected during this period. A timeline for the phased implementation is attached for your reference (Attachment A).

Once the Ordinance is in effect, the initial STR registration period will begin, allowing the City to begin accepting and reviewing applications, issuing conditional STR registration numbers, and collecting registration fees. During the initial registration period, STR operators will be allowed to rent their units. However, due to the reduced budget amount in FY 20, enforcement of STR regulations will not be possible during the initial registration period. Recruitment of a Combination Building Inspector to focus on enforcement of STR regulations will coincide with the adoption of the FY 21 budget.

The STR Ordinance is currently scheduled to return to the City Council on November 12, 2019.

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If you have questions regarding this matter, please contact Manager of Administrative and Financial Services Lisa Fall at (562) 570-6853 or [Lisa.Fall@longbeach.gov](mailto:Lisa.Fall@longbeach.gov).

LAF:HN

ATTACHMENT A -STR PROGRAM PHASED IMPLEMENTATION

CC: CHARLES PARKIN, CITY ATTORNEY  
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KEVIN JACKSON, DEPUTY CITY MANAGER  
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LISA FALL, MANAGER OF ADMINISTRATIVE AND FINANCIAL SERVICES  
JOHN GROSS, DIRECTOR OF FINANCIAL MANAGEMENT  
GRACE YOON, BUDGET MANAGER  
SANDY TSANG-PALMER, PURCHASING AND BUSINESS SERVICES OFFICER  
OSCAR ORCI, DEPUTY DIRECTOR OF DEVELOPMENT SERVICES  
KARL WIEGELMAN, CODE ENFORCEMENT BUREAU MANAGER  
MONIQUE DE LA GARZA, CITY CLERK (REF. FILE 17-0213, 18-1072)

# Projected STR Program Phased Implementation

Attachment A

|   | October 2019 | January 2020 | April 2020 | July 2020 | October 2020 |
|---|--------------|--------------|------------|-----------|--------------|
| <b>Ordinance</b>  |              |              |            |           |              |
| Ordinance Read and Adopted by Council   |              |              |            |           |              |
| Ordinance Takes Effect 180 Days After Adoption                                    |              |              |            |           |              |
| <b>Registration</b>   |              |              |            |           |              |
| STR initial Registration Begins Grace Period (No Enforcement of Regulations)      |              |              |            | 180 Days  |              |
| Initial Registration (Grace Period) Ends and Ongoing Registration Begins          |              |              |            |           |              |
| <b>Staff</b>  |              |              |            |           |              |
| Interviews and Hiring for AA and Consultant                                       |              |              |            |           |              |
| Consultant and AA Set up Registration Process and Develop Communications Strategy |              |              | 90 Days    |           |              |
| Interview and Hiring for CBI  |              |              |            |           |              |
| Program Fully Staffed   |              |              |            |           |              |
| <b>Enforcement</b>  |              |              |            |           |              |
| Enforcement Begins 180 Days After Effective Date                                  |              |              |            |           |              |